

The Financial Times of Indiana

Budget and Tax News from the Office of Governor Frank O'Bannon

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The News in brief...

A step toward a solution for Hoosier jobs, homeowners

Governor O'Bannon met yesterday for the fifth time with legislative leaders. The meeting focused on a counterproposal provided by Senate Republicans to a plan put forward by House and Senate Democrats.

The Governor described the Senate Republican tax restructuring compromise as "a good step toward helping homeowners and saving Hoosier jobs." He called on House Republicans to step forward and support the plan -- "This must be an effort supported by all four caucuses of the General Assembly," he said.

Although different in certain respects, the House and Senate Democrat plan and the Senate Republican plan have similar goals:

- **Protecting Hoosier homeowners from double digit increases in property taxes resulting from court-ordered reassessment;**
- **Growing good jobs by restructuring the state's tax system; and**
- **Protecting Hoosier schools by addressing the state's \$1 billion deficit.**

In addition to meeting with legislators yesterday, the Governor visited ComChem Technologies, a drug research company founded two years ago where scientists are working to develop groundbreaking cancer-fighting drugs.

The company, which plans to have 20 scientists on board by next year, would grow faster and offer more high-tech jobs if the state's tax structure is updated and if incentives for research and development are improved.

Company founders, who went without pay for 18 months as they started their businesses, said the state needs to eliminate as many barriers as it can for others who want to do similar work but who cannot afford to get started.

"ComChem is EXACTLY the kind of company we talk about when we talk about high-tech jobs of the future," the Governor said. "I am here today because ComChem is one of those companies that will build Indiana's economic future if the state moves forward with tax restructuring."

It's All About Jobs...

When businesses look to locate in certain states, one of the first items on the agenda is to examine the tax system and incentives in place for businesses to succeed. Indiana must have a new tax structure that can custom fit a new, expanding, or existing business.

And Education...

Indiana has among the highest education standards in the nation. Legislative action on the budget is crucial to securing the future of Indiana's education system -- from teacher training and school accountability -- all the way to our public universities.

...And Homeowners

Court-ordered reassessment makes the choice simple: a cut in property taxes, or an average 33% increase for Hoosier homeowners. Hoosier homeowners, both old and young, must be protected and able to have the quality of life they deserve.

What Others Are Saying

"...it is time for action. It is time for those legislators to get down to business and draft a workable plan to fix Indiana's budget deficit and its outdated tax structure before the special session begins May 14... This is not just mere philosophical difference of opinion between two political parties. This is about the future of the state of Indiana.

*The Times of Northwest Indiana Editorial,
April 24 2002*

Lean Government Getting Leaner

Since taking office in 1997, Governor O'Bannon has worked hard to make Indiana government leaner and more efficient for Hoosiers needing important state services. Since January 1997, the Governor has eliminated about 1200 jobs from state government. In 1999, Indiana ranked 45th in per capita state expenditures -- meaning there are only five other states that spend less per person on state services. Since announcing his Balanced Budget Plan in November, the Governor has also painfully cut more than \$700 million in state services while striving to protect Indiana's public schools.